

STATINTL

13 June 1958

D PJ 1531

Dear Sid:

We have run into a difficulty which causes us to ask for your indulgence.

The disconnects for the seat packs/survival kits were shifted from GFE to Contractor-furnished early this year. This offered the possibility of obtaining them at less cost to the Government, as has been accomplished on other items.

We procured and have received 50, the required quantity, from the Aerotec Corporation, the manufacturer, at a unit price of \$343.42, and total price of \$17,171.00. The part number, as previously supplied to [redacted] program, was [redacted]. When we placed our order, the manufacturer's representative informed us that they had gone out of production on that item and that the item as currently improved was their part number [redacted]. Our order was placed for the [redacted] and that is what we have received. We have now determined that they are not usable because they are not interchangeable internally with the existing units, although outwardly they appear identical.

We are returning those units to the supplier, who has agreed to allow a credit of approximately 20%, thus reducing his bill from \$17,171.00 to \$13,634.00. (He has indicated that he can presently use only a small portion of the parts. We will continue to follow up with him with the objective of assuring maximum possible use of the parts and corresponding further reduction of his bill.)

We have now ordered 50 of the [redacted] units, which is the required item. The supplier's price for these is \$353.88 per unit, \$17,694.00 total. These are pursuant to SP-1917 and SP-1918 and cause no problem.

Respecting the unusable ones, we propose to charge SP-1918 at cost to us. Presently that is \$13,634.00. We hope subsequently, as indicated above, to obtain further reduction which in turn will be credited to SP-1918. Consequently, we request your approval to charge to SP-1918 the cost of 50 BA-1500-3 disconnects, not to exceed \$13,634.00.

We deeply regret the error which occurred in this matter. On the brighter side, the economies realized on other survival kit items because of direct LAC purchase have more than made up for this boot.

Very truly yours,

STATINTL

cc: Contracting Officer

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 NO CHANGE IN CLASS.
 IT IS BY ACCORDED
 CLASS. CHANGED TO: TS S C
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